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Coinage of silver

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COINAGE OF SILVER.

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SPEECH

OF

HON. JOHN R. McPHERSON,

OF NEW JERSEY,

IN THE SENATE OF THE UNITED STATES.

Monday, January 9, 1893.

WASHINGTON, D. C.:
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The Senate having under consideration the joint resolution (S. R. 126) authorizing and directing the Secretary of the Treasury to suspend all purchases of silver bullion, as provided in the act of July 14, 1890—

Mr. McPHERSON said:

Mr. PRESIDENT: In accordance with the notice previously given, I desire to call up Senate joint resolution 126, which I had the honor to introduce a few days ago, and I ask that it be read.

The VICE-PRESIDENT. The Chair lays the joint resolution before the Senate. It will be read.

The joint resolution (S. R. 126) authorizing and directing the Secretary of the Treasury to suspend all purchases of silver bullion, as provided in the act of July 14, 1890, was read, as follows:

Resolved, etc., That the Secretary of the Treasury be, and he hereby is, authorized and directed to suspend, until otherwise ordered by Congress, all purchases of silver bullion as provided in the first section of the act of July 14, 1890, entitled "An act directing the purchase of silver bullion and the issue of Treasury notes thereon, and for other purposes."

Mr. McPHERSON. Mr. President, I ask to have read what I send to the desk.

The Chief Clerk read as follows:

"We denounce the Republican legislation known as the Sherman act of 1890 as a cowardly makeshift, fraught with possibilities of danger in the future which should make all of its supporters, as well as its author anxious for its speedy repeal. We hold to the use of gold and silver as the standard money of the country, and to the coinage of both gold and silver without discriminating against either metal or charge for mintage, but the dollar unit of coinage of both metals must be of equal intrinsic and exchangeable value, or be adjusted through international agreement or by such safeguards of legislation as shall insure the maintenance of the parity of the two metals, and the equal power of every dollar at all times in the markets and in the payment of debts; and we demand that all paper currency shall be kept at par with and redeemable in such coin. We insist upon this policy as especially necessary for the protection of farmers and laboring classes, the first and most defenseless victims of unstable money and a fluctuating currency."

Mr. McPHERSON. Mr. President, this is the proclamation of the Democratic party in National Convention assembled in June last in the city of Chicago. That convention was composed of delegates representing every State, every hamlet in the American union, and the convention almost unanimously, and without division, voted down every amendment that had for its object to bind the national democracy to the support of a different policy. The delegates there assembled seemed not to be oblivious to the fact that a crisis, fraught with great distress and danger to the Republic, had been reached in the financial affairs of the Government, and they enjoined upon those temporarily intrusted with leadership in legislation and in administration, that the perils which threatened us demanded the prompt and speedy repeal of the Sherman act. That in the coinage of both gold and silver the dollar unit of both metals must be of equal intrinsic and exchangeable value.

And to make this command still more emphatic, we insist (say they) upon this policy as especially necessary for the protection of farmers and laboring classes, the first and most defenseless victims of unstable money and a fluctuating currency.

Assuming as we must, I think, that to the Democratic National Convention, constituted as it is, and to it alone, belongs the right to determine, define and proclaim the faith and policy of the party at least to those citizens who give to it their allegiance—is it not also fair to assume that neither Democratic President, Senator or Representative in Congress will arrogate to himself absolute liberty of judgment and action—even to the extent of nullifying the pledges made by party to people—upon a subject so vital to them as a possible violent change in their entire monetary system. It was upon the strength of this pledge, made in national convention, that gave to Mr. Cleveland more than one hundred electoral votes, not one of which he could have received without it. And now that the Democratic party is soon to be in absolute control of the legislative and executive departments of this great Government in all its branches—the people, alarmed at the present situation, demand to know when, and in what mode this pledge is to be fulfilled. In obedience to this command, and in apparent fulfillment of this pledge, the distinguished Senator from New York [Mr. Hill] introduced a bill to repeal the Sherman act of 1890. As a foil to this bill, the distinguished Senator from Nevada [Mr. Stewart] again vaults into the arena, with all his old-time vigor for the dollar of the daddies, and open mints. As the direct, responsible representative, we assume, of the new party the distinguished Senator has done so much to create, and while defiantly dangling at his belt the bleeding scalps of a goodly number of ambitious Republican statesmen, he gives

notice that preceding the repeal of the Sherman law, provision by law must be made for the free unlimited coinage of the standard silver dollar.

The Sherman law (so-called) which we seek to repeal was a mere political contrivance (receiving in this chamber only Republican support), invented and intended to hold the silver producing States in the West, then wavering in their allegiance, firmly in the Republican column. The public interest was thus sacrificed to partisan advantage. Its all sufficient justification was found in the perpetuation of the rule of the Republican party, notwithstanding it was plainly apparent to every reflecting mind that under the operation of this law, if long enough continued, our coin currency must be silver, and silver only. It was further apparent to the people that no relief from this incubus was possible, except by the united action of both Houses of Congress and the concurrence of the Executive.

The American people were thus bound hand and foot to the terms of the definite alliance made between the Republican party, to which party many had given their allegiance, and the mine owner; under and by virtue of which alliance the people were made to take all the risks, to bear all the losses, while the mine owner gets all the profits.

Is it any wonder then that the people now begin to see with clearer vision the aims and intentions, the object and purpose of each political party, and are engaged in new and more earnest efforts over policies that are irreconcilable, over measures that are inherently and inevitably in conflict.

But more, if permitted to diverge a moment from the line of my argument to give additional reasons why the people recently denied to the Republican party the support they had so long accorded to it and turned for relief to the Democratic party.

The people had seen the Republican party make also a definite alliance with the manufacturing and corporation classes, to the injury of all other classes, and more recently they had seen this alliance renewed and strengthened.

An it had been further agreed, as a part of the bond between the Republican party and its mercenary allies, that as the first expressions of popular wrath would be felt in the popular branch, appropriations for subsidies would be made part of the permanent annual expenditures, in order that a Democratic House might not take from the corporations the people's forced contributions.

The people had seen the virtues of popular government; and they then beheld the vices of a government by an oligarchy of money.

They had seen the elections, once pure, become matters of annual bargain between the candidates and their supporters, and money poured into the elections in rolling streams of gold. Money, the

only and one thought, from the pious cabinet minister to the poorest wretch whose vote is bought.

They had seen individuals and giant corporations given sanction to oppress the people, and they had seen these beneficiaries of Republican favor, return at each succeeding election with millions more for fresh riot.

The Democratic people in National Convention declared their abhorence of all these evils existing in the Government and made it the duty and the mission of those intrusted with the responsibility of making their laws to stamp out these evils. Especially and expressly did they enjoin upon their servants in Congress "That in the coinage of both gold and silver—the dollar unit of both metals must be of equal intrinsic and exchangeable value, and that all paper currency shall be kept at par with and redeemable in such coin." That the cowardly makeshift known as the Sherman law must be repealed.

Mr. PRESIDENT. Gold and silver are something more than mere commodities; they are the only monetary metals, and as such are distinguished from all other metals and all other commodities.

In the International Monetary Conference which met in Paris in 1881, the Hon. Wm. M. Evarts, then a delegate for the United States, voicing the sentiment and contention of the people of the United States in that conference spoke, not precisely in words but in substance, as follows:

"Since the days of barter, both gold and silver have been used as money by civilized nations upon some accepted relative ratio of value. There has been no single period in history in which their united strength was more than adequate for the unfolding process of society, in the interchange of the products of the world; by providing therefore an intrinsic money with which to measure values. If to this we add the wide expanse of credit in the developed commerce of the world which finally rests upon the intrinsic money of the world, it will be found impossible for the volume of both the metals that the bounty of nature could yield to the urgent labor of man to perform the task. This credit is almost without a figure, a vast globe, and this service of the precious metals to sustain it is that of an atlas upon whom the whole fabric rests. All attempts to find a permanent enduring support for domestic circulation and for participation in commerce, upon less than the broad basis, the united strength, firmness and fixity of the two metals which should make one money out of the two metals for all the world is a vain hope, and invites disaster."

This I believe to be the opinion and firm conviction of a large majority of the people of the United States; in other words the people are bimetallists. The number of people in this country who will

advocate monometallism either in gold or silver, or who will approve legislation that will tend to drive, or drift us, to monometallism of either gold or silver is infinitesimal. Neither the "gold bugs" nor the "silver barons" (so called) would consent to a policy which they foresee will tend to suppress one-half the intrinsic money of the State. All concede that with both metals acting in harmonious relationship as money its base has often been found too narrow, with but one, it may be positively unsafe.

What then are the essential features of a bimetallic system of currency which our people favor and advocate to the fullest extent consistent with the safety of the finances?

First. "An open mint ready to coin any quantity of either gold or silver which may be brought to it."

Second. "The right on the part of the debtor to discharge his liabilities, at his option, in either of the two metals at a ratio fixed by law."

Under this true definition of bimetallism neither the United States nor any state in Europe can be said to have a bimetallic system of currency, while prior to 1871 the United States and nearly all the great states of Europe were bimetallic states, save England and Portugal.

Bimetallism Abandoned.

Germany was the first to break loose from the great group of states which had used silver and adopt a gold standard, and the United States, in 1873, joined Germany and other states of Europe in destroying the relation which had theretofore subsisted between the white and the yellow metal. The Scandinavian states followed the lead of Germany and discarded silver, while the states of the Latin Union, unable to absorb in their circulation the surplus silver of Germany without the loss of their gold, closed their mints against silver. The fall of silver was easy to foresee. It was inevitable. The mischief was already done. The die completely cast.

To prohibit in ten great states, first in civilization, in finance, and commerce, the mintage of a metal which had hitherto enjoyed like mint privileges with gold and to expect this metal would maintain its former value in the face of the most unparalleled silver production would be inconsistent and absurd.

The effect of the demonetization of silver by Germany was threefold; it not only overloaded a market more than supplied, but also a cessation of the demand for fresh silver, and the increased demand for gold.

Moreover, the public mind in Europe now seems to be undergoing a change not favorable to silver. "Other European nations, jealous of the growing financial power and commercial progress of England, where a monetary system based upon the gold standard had been long in use and had satisfied all the requirements of that country, sought for some advantage by which, without too great loss, to change their money standards." Germany succeeded, and as to other great states the purpose seems NOT to have been entirely abandoned.

This declaration seems to be justified in the views expressed and the votes cast by the European delegates in the several international monetary conferences which met in Paris in 1867, 1878, 1881 and 1892. It is further apparent in their persistent hungry demand for gold to strengthen their gold reserves.

International Congresses.

In view of the fact that the United States had invited two, and recently called for a third international monetary congress, I will refer briefly to this subject. It will be remembered the conference of 1867 recommended a gold standard, and the legislation of Germany in 1871 was strictly in line with the recommendations of that congress. The conference of 1878 was called at the urgent request of the United States. The invitation was freely responded to by all the important states except Germany; but though the delegates were present in the body, they were absent in spirit. Our invitation was accepted more in a spirit of courtesy than born of a desire to establish a fixity of ratio between gold and silver and such mint regulations as would make one money out of the two metals. The conference of 1881 again invited by us was a repetition of the preceding one in respect of results. With the exception of the delegates from the United States, none of the delegates there present were armed with authority to do more than simply discuss the question and report to their respective governments; while the delegates from England and Germany expressly disclaimed all intention upon the part of these states to open their mints to unrestricted silver coinage upon any ratio or any terms whatever. Mr. Cermichi, a delegate from France, and an earnest bimetallist, speaking for France, said that if the four great nations—England, Germany, France, and the United States—would join the bimetallic union, the success of bimetallism would be an assured fact; that if but three should join the alliance, bimetallism was still possible; but with only France and the United States, it could only result in failure.

The Royal Commission which met in London, after scanning the silver question in all its aspects made its final report to Parliament in 1888. The report ends as follows:

"No settlement of the difficulty is, however, in our opinion, possible without international action."

Since these words were spoken owing to the great development in silver mining the supply of silver relatively to gold had vastly increased, while the demand for it relatively to gold had diminished, raising new and unforeseen barriers to a bimetallic union.

Notwithstanding conditions had radically changed, the President resolved to make one more effort to secure the co-operation of the great monetary powers of Europe in rehabilitating silver to its former position as one of the monetary metals. The President of the United States again extending the invitation—and the congress of 1892 the result. With the end and absolute failure of the recent congress, and I assume no Senator will claim for it any other result, in view of the fact that the conference was called with the object of securing an international common ratio, and open mints for the coinage of both gold and silver; and this object found no sympathy among the delegates from European states in that congress. It is therefore fair to assume that European states are satisfied with their monetary systems and conditions, and are not ambitious to assist us in remedying the faults which confessedly exist in ours.

But, sir, I cannot refrain from saying that in my judgment, considering the absolute failure of all former conferences in which the United States always took the initiatory, the recently called congress was a great mistake, in that it seemed begging Europe to confer with us again, thus lowering the dignity of the Government, and to use the language of a distinguished English statesman, "that considering the present infirm status of silver, together with the persistent purchase of silver by us, our action appeared childish in the eyes of other people."

But this is not all!

Our persistent pleading for a new conference every few years can only tend to confirm the impression, now almost universal in Europe, that we are fast drifting to silver monometallism and open mints, and when that point is reached, they may, if so inclined, exchange their silver for our gold at the ratio of 16 to 1. I think it safe to assume that the new conference will end as all the others have done, with their mints closed against silver; they continuing to maintain an attitude of armed neutrality in respect to silver, while viewing with composure the purchase by the United States of one-third the annual world's production for use in our circulation.

When the Congress of 1878 met and parted the bullion value of our silver dollar was only seven cents less than that of the gold dollar, and now it is thirty-six cents less. Considering the present infirm position of silver, the prodigious increase in silver production coupled with the diminution in demand for coinage purposes, what necessity or what advantage have Germany or the states of the

Latin union (all of whom have their silver coinage full and no use for more) to join the United States in making a market for silver? Just so long as the United States persists in the policy of subtracting fifty-four millions of silver annually from the world's supply to lock up in our mints, with such added inducement for delay as the near prospect of open mints would give, I can conceive of no statesman or financier worthy the name in Europe who will not counsel his government to pursue a policy of absolute neutrality, while the United States are willing to go it alone in sustaining the silver market. Moreover all the states of the Latin Union may decide for a single gold standard and have silver to sell, which, with free coinage here, would enable them to sell.

Silver Demonetized.

The Congress of the United States demonetized silver in 1873. The coinage act of 1873 was passed by the votes of Senators and Members, as shown by the Record, who have since disclaimed all knowledge of the transaction. "Assuming this to be true—and, if true, it is not surprising—this legislation was made at a time we were using neither silver nor gold as the practical and present money in daily use, when silver at the ruling ratio was worth more than gold, and the public mind was inattentive to the consideration of a question so important to the interests of the State as a change in their money might exert."

Following the lead of Germany, yet unlike Germany, we had no silver in circulation and none to sell. Germany had both. The flame which was started by Germany and fanned into fury by the United States became a great conflagration which threatened with destruction the bimetallic mints of Europe, who for safety had closed their doors. Of all the causes which produced a descent in the value of silver our demonetization act of 1873 was the most potential. The position of the United States was unique among the nations. Her nationality had been tested and proven, and henceforth her right to primacy and her power to dictate policies undisputed. The Civil War left us with a burden of debt, which in its volume appalled the world. Our currency consisted solely of paper promises, for the redemption of which no provision had been made, but which the existing coinage laws gave to us the option to pay in silver as well as gold. An early day fixed for resuming specie payments unitedly with France and the states of the Latin union, we could have absorbed the surplus silver of Germany, leaving the ratio between the two metals intact and undisturbed. As an aid to resumption, the united strength between the white and the yellow metal circulating together as money was sadly needed, and, as events have shown,

well nigh indispensable. The moral effect of this action by the United States in her day of great financial distress and danger was alarming to the bimetallic states of Europe, and decided for them a future policy. The fall of silver was inevitable. Since 1873 that metal, grown old in the service and which had for more than 100 years kept step with gold, has grown weaker in its strength, until it is no longer a giant, but a pigmy, in the operations of commerce.

The coinage law of 1878 which remonetized silver and provided for a limited coinage was salutary in many respects. It served as a notice to the world that we had discovered the fault committed in 1873, and stood armed and ready to join other nations with whom we were then negotiating, in taking radical steps to alleviate the resulting misfortunes. In the presence of the law itself our sincerity must remain unchallenged and undisputed.

It aided resumption by enabling us to give coin in exchange for the paper issue to the extent that coin was demanded. But more, it was the foundation upon which we built our hopes for a safe, permanent, enduring, bimetallic alliance.

The failure of all our efforts in 1878 and again in 1881 to secure a bimetallic union should have been followed by us with a suspension of the coinage of the standard silver dollar. Our mints once closed should remain closed until an agreement with other nations was reached. What we could not obtain by policy, through diplomacy, we should have attempted to secure by force. Who can say that if this course had been adopted bimetallism would not to-day be an assured fact. Who can doubt with fourteen (14) years of experience to guide us, that any other remedy is left us now? Senators who consider bimetallism in all respects to be preferred to silver monometallism, will think seriously of the words I have spoken.

If the course I suggest be chosen, impetus will be given to the decision of the following questions :

(1) "Will the restoration of silver to permanent monetary equality with gold by joint action of nations be beneficial to all ?

(2) "Will they now join the United States to promote monetary union ?"

The question is of decisive practical importance in showing whether we are to have an international or merely a national monetary system. Having waited a long period of monetary inaction, except to pass into a law, the political contrivance popularly known as the Sherman law (of which I will speak hereafter), are we not now impelled to adopt Europe's anti-silver policy; suspend further purchases of silver under the Sherman law, and await events ? If I were asked to predict with precision the effect of such action upon other monetary nations owning and controlling a great mass of silver, estimated in

value at 4,000 millions, of which we possess but a fraction, I would say "that a further drop in the value of silver, which would be inevitable, would produce such a revolution in Europe—both in standard and in sentiment—as would demand an international monetary congress, where we would be in a position to dictate the terms of settlement."

A bimetallic union which does not include the United States can never exist—and, having the power, it is our bounden duty to take the offensive and settle this war between the standards without taking revenge upon ourselves.

Divergent Views.

Two divergent views as to the line of action to be followed have wide acceptance among the true and firm friends of bimetallism. The views of one portion of our people find expression in the bill now pending in the Senate, which provides for the free, unrestricted coinage of both gold and silver as the best if not the only road to the desired goal. Another portion, which includes, as I believe, a large majority of the earnest friends of bimetallism, condemn this policy as one fraught with disaster and which will inevitably defeat bimetallism and make silver the sole standard of value, the only coin currency in use. And further—

That no one nation acting alone and independently can exert a tithe of the strength required to lift the market value of the world's bulk of silver and the annual product of the mines from the present price of 83 cents per ounce to the par of exchange with gold.

The bill before the Senate (Mr. Stewart's bill) proposes that the United States, single-handed and alone, shall undertake at once this gigantic financial experiment. Before embarking upon this vast sea of conjecture, without chart or compass, it behooves those who advocate this measure to show some present and pressing necessity of the Government for this leap into the dark.

Without waiting for the present international conference to finish its labors, or testing the virtue of a policy that will force Europe to ask for one, as has been suggested, and which I think infinitely the wiser and better course to pursue, you deliberately pass a bill which will make bimetallism impossible in the future, and which, in effect, will sacrifice the public interest to a private interest.

If no necessity is felt to meet the demands upon the Treasury ; none in foreign or domestic commerce ; with the volume of circulation greater than ever before, and if enlarged tenfold it would not help a single impecunious man to another dollar who could not give a tempting equivalent in exchange for it, why, I say, adopt this radical change in our monetary system and invite the world to belch their stores of silver upon our mints?

The Secretary of the Treasury in his last annual report gives the per capita circulation on December 1, 1891, at $25.62, showing that the volume of money in circulation is not only adequate to the needs of the country, but is very much more per capita than during the so-called flush times which followed the civil war. The per capita circulation of England, whose foreign commerce leads the world in volume, compared with ours is as 17 to 25. This is approximately true also of Germany, which is 16 to 25.

The most advanced commercial nations, owing to the increase in banking and currency expedients, use by far the smallest proportion of metallic money in proportion to their dealings. It will help to an understanding what an ideal currency should be when we reflect that our total wealth is about 65,000 millions, while the total amount of our coin and bullion is but the one-fiftieth ($\frac{1}{50}$) part of this immense sum. Domestic and foreign commerce has for its ultimate object simply an exchange of commodities. Take, for example, the vast operations of the clearing house, which collects and pays credits and debts amounting weekly to quite 1,000 millions, using scarcely 4 per cent. of actual money in the exchange.

"By means of accounts current one purchase is made to balance another purchase and one debt to cancel another debt. Banks and bankers issue bills of exchange, letters of credit, notes, and drafts, which largely take the place of coin. Banks transfer credits between individuals, and clearing houses transfer credits between banks, so that immense transactions are carried on with a very small use of money."

No stronger proofs of the heights of civilization in this country can be adduced than that we use seven kinds of money, all maintained at the gold value, with perhaps not 1 per cent. of gold money used in all these immense transactions. Gold, the unit and standard of value, is but little more than the yardstick to measure the value of the commodities to be exchanged.

Fraud Charged.

It is said, and with much emphasis, until the public mind is almost convinced of its truth, that the demonetization of the silver dollar in 1873 debarring it from the currency was conceived in fraud of the debtor class, and that the legislation was made upon the demand of the creditor class. Admit, if you please, all that is charged against it; admit that it was conceived and passed in fraud; still the law remained, with all its direful effects, until all bimetallic States had changed, either permanently or in practice, from the bimetallic standard to the gold standard. Is it not true that in 1873 the silver dollar had been treated as obsolete and had not been in circulation

for 40 years; that it was confessedly worth more than the gold dollar? Why then should the creditor conspire and maneuver in order not to be paid in the most valuable coin? This in itself repels the idea that there was any evil animus in that legislation. The demonetization of the silver dollar had been recommended by three successive Secretaries of the Treasury, and had been discussed in newspapers and bankers' magazines. The bill to effect this purpose had been thirteen times printed, and had been before five different sessions of Congress. There was no concealment or attempt at concealment. The fact is apparent by the record that it was read in both Houses of Congress and passed in both. That fact alone should be sufficient for us at this late day without further question as to the order of the proceedings.

If, however, this charge be true, I respectfully ask: Can you right the wrong done to the debtor class in 1873 by correcting in 1892 the legislation that made that wrong legal? Is it reparation of a wrong to punish the innocent creditor of to-day because a wrong was done to the debtor of nineteen years ago?

What we have done, is done. What we are now to do is the all important question.

Depreciated Silver Coin.

"The governments of Europe, as well as our own Government, are to-day upholding depreciated silver coins by the pledge of their credit to the redemption of their coins in gold. It is equally true that their nominal value is far in excess of their real value."

At the present moment, on both sides of the Atlantic, gold alone has the right of unlimited coinage, and is the only true instrument of exchange.

Since 1878 there has not been a standard silver coin minted by any bimetallic state that has not been kept in circulation, if at all, at par with gold by the credit of the issuing state. With paper money or with all money that has not a full intrinsic value, it is the credit of the Government that makes the value.

Drop a gold dollar into the crucible and the molten mass is still worth a dollar without the Government stamp. Drop a silver dollar into the fire, and it now returns you but 64 cents.

The silver miner for his own gain demands that a stamped credit be given to 371¼ grains of silver to make it equal to the gold dollar. They further demand that silver coinage be unlimited and unrestricted. The audacity of this demand will be seen and felt in the 4,000 millions of cheap silver now in the world, coupled with the annual new product, 185 millions, from the mines, all invited and attracted to our open mints.

Mr. Teller. Will it disturb the Senator if I interrupt him?

Mr. McPherson. If the Senator will wait until I get through, as I do not want to break the thread of my remarks, I will gladly respond to any question he may ask me. I think I shall make some statements further on that the Senator will, perhaps, think requires notice as well.

The act of 1878 provided for the coinage of two millions silver per month, the same to be increased to four millions per month, in the discretion of the Secretary of the Treasury. Notwithstanding four distinct administrations had come and gone, administrations representing both political parties, controlled and directed by the leading minds of each party, respectively, not a treasury minister had coined a single dollar in excess of the law's requirement, and all without exception had asked Congress in behalf of the public interest to suspend the coinage. The conservative action of the Senate in 1878, coupled with the true conservative policy of the Treasury since, has enabled us to use a large quantity of silver in our circulation and maintain our silver coin on a parity with gold coin. With free coinage of silver this could not continue. The first shipment of silver from abroad will deplete the Treasury of its gold, and gold payments will cease. Whenever the Treasury is no longer able to maintain the parity between the gold and silver coin, the public must look out for themselves. Gold is, then, at a premium, and it will retire from circulation. Its weaker and cheaper companion, silver, has come to perform its functions as money, and gold will go where it is more appreciated.

The effect of this legislation will be to enable France, who is not bound to us by monetary treaties, to join England and Germany in adopting the gold standard, while we will be forced from the gold plane, where we now stand, to a silver plane, whatever that may be. But it is asked, silver being a legal tender concurrently with gold, where is the depreciated currency to be found? We are reminded that from the beginning of the century down to 1873 the gold and silver coins, if based upon the ratio of 15½ to 1, had not suffered an extreme variation of more than 3 per cent. And that the average variation, covering the whole period, had been infinitesimal.

That during this period there was a constant par of exchange at the ratio of 15 to 1 between the silver rupee and the gold sovereign.

The friends of free coinage seem to be oblivious to the fact that the cardinal principle of bimetallism had been abandoned by the bimetallic world between 1873 and 1876, when they resolved that silver coinage should be limited. They do not seem to realize that it is only the legal-tender quality imparted to silver by legislative decree, and upheld by the credit of the Government that now exempts the 64-cent dollar from the category of merchandise. That while the Government can fix the value of the silver dollar for the payment of existing debts, it is beyond the power of the Government to fix its value for any other purpose. A positive law may render 64 cents a legal tender for a dollar, but no law can oblige a person who has goods to sell, and may sell or not as he pleases, to accept 64 cents as equivalent to a dollar in the price of them. Let there be no illusions upon this subject; discount upon silver means premium on gold. If the law of supply and demand be not a falsity that premium under free coinage must increase except we have the support of other great financial powers.

Free coinage means to absorb the silver of the world and place us at once upon a silver basis side by side with China and India.

Free coinage will drive gold out of circulation, except at a premium to be followed by all the new gold received from the mints. If the experience of the past is any guide in the affairs of men, the history of the world teaches that when one of the metals becomes overvalued in the ratio it drives out the other metal, although the variation may not exceed one or two per cent.

A practical illustration of this will be found in the monetary system of France which, in 1851 was practically bimetallic. At the time when the increased supplies of gold began to be placed upon the market from the mines of Australia and California the French currency had ceased to be bimetallic. The large influx of gold altered the relative value of the two metals; gold became overvalued in the ratio and silver undervalued. The latter metal was consequently withdrawn from France for export to the East and other places, and the overvalued gold took its place in the currency.

Again, the original ratio of silver to gold adopted by the United States was to make 15 grains of silver equal 1 grain of gold. This undervalued gold and made it cease to circulate. In 1834 we changed the ratio to 16 to 1. At this rate up to 1873 silver was undervalued, and it left us, so that we were forced to debase our subsidiary silver coins to keep ourselves in small silver for change. If, therefore, from 1795 to 1873 a change in the ratio between the small limit of 15 to 16 caused gold and silver alternately to flee the country, how more certainly with a ratio of 24 to 1, now existing between the value of silver and gold, will the standard silver dollar you propose to coin become the only standard of value and cause gold to flee from the country.

Congress can issue either kind of money it chooses, silver or paper; the coins to contain as many grains of silver as it decrees, and the paper to read upon its face as many dollars as it wills to print; and by making such moneys legal tender it confers on them debt-paying

power, but this is not to confer on them future purchasing power, although it may favorably influence that power for a limited period. With silver only as the medium of exchange, all existing debts must be paid in legal-tender silver coin. The bonds of the Government and the interest thereon—State, county, municipal, railroad, industrial and all other bonds, representing untold millions—not specifically redeemable in gold—will be paid in silver. "The savings banks, life insurance and trust companies are the agents for the safety of deposits, made usually in small amounts by the poor and helpless, who have not sufficient money to start business on their own account. These institutions are the depositories of the laborer for all earnings in excess of that required for food and clothing, and their deposits are loaned by these institutions in aggregate sums to those great enterprises in which labor finds its employment. The mite which the laborer loaned, together with his neighbor's mite, has given speed to the wheels of industry, made a greater demand for his labor, and thus enabled his capital to help the work of his hands. If you pay him in silver coin worth 64 cents on the dollar you rob him of 36 cents on every dollar already earned." If this is not partial repudiation, I know not what to call it.

And, again, what will be the effect upon the laborer's future?

"If you make money cheap what will be the effect on the man who earns and lives on wages? If you lower the purchasing power of your money, you, in effect, increase the cost of the things that labor buys. Labor does not go up as fast as other commodities, because workingmen are not in a position to control the world's labor market. Labor, therefore, will be paid in silver as if it were gold, and will buy with silver at its true value."

Now, as the value of merchandise is estimated by its selling price in money the price of our dollar will always be estimated by the amount the substance of which it is made will exchange for when in the world's market or where uninfluenced by legal-tender laws.

"The fact should be impressed upon every person's mind that the true value of our dollar is the amount of merchandise the pure silver or gold in it will purchase abroad as well as at home. Only by keeping the intrinsic equal to the nominal value can a truly honest currency be maintained; only in this way can personal property or real estate be correctly valued, and only in this way can a dollar's purchasing power remain constant."

The speculator alone delights in a fluctuation in the value of money, for it opens to him new chances of gain. A fluctuating coin, always uncertain in value, is most deadly to the interests of the poor, for they have the least power to protect themselves against it. They are the first to suffer from a decline in the value of the currency and the last to recover when improvement begins.

Cost of Silver.

In view of the legislation here proposed it is evident that the future prospects of silver production will have an important bearing upon the issue involved. It is conceded by mine-owners that owing to new and improved appliances now employed, in comparison with the methods of five years ago, the cost of producing silver is very much lessened. In proof of this we need only point to the fact that for many years the world's production of silver has piled up in rapidly increasing ratio, until in the year 1891 it reached the enormous amount of 143 millions ounces as against 58 millions ounces in 1873, while the price it brought in the market was the very lowest recorded in our history. The market value of an ounce of fine silver is about 84 cents; the average cost of the production of this silver, according to the reports of Prof. Austen, of the Royal Mint, and of Mr. Kimball, director of our mints in 1887, was about 52 cents per ounce, leaving a clear margin of profit, under the more costly methods of mining and reduction then in use (and a much greater margin under present methods), of 32 cents per ounce, even when measured by the lowest prices silver has yet reached.

A careful investigation into the present cost, under new methods and conditions, of producing an ounce of fine silver in the United States gathered from the Mint and Census reports, together with such other confirmatory evidence as is furnished by the public press, mine-owners reports, and from private sources, impels me to say that the average cost of producing an ounce of fine silver is less than 35 cents, which gives to the standard silver dollar a cost value of 27 cents. (See App. A.)

It will thus be seen that silver mining is the most profitable of all the industries of the United States, even if profits are measured by the highest estimates of cost and at the lowest selling price we had ever known. If we assume that free coinage in the United States will give an increased demand for silver and tend to increase its market value, does it not neccessarily follow that production will also increase? It would stimulate the ardor for new discoveries; increase the output from mines now working; and cause mines now temporarily abandoned to renew workings.

What the annual output of silver in the United States will be if we pass this bill and give to each ounce of silver now worth 84 cents a debt-paying power equal to $1.29, is beyond our power to estimate, but that it will exceed the full capacity of our mints to coin I have no doubt. Why subsidize the mines more than other branches of business, and why subsidize them at all at the expense of other industries?

It has been repeatedly stated in this chamber and elsewhere that the low price of silver enabled the Indian ryot to take the wheat and cotton market in Europe from the American farmer; and that the only remedy for the ills which afflicted the farmer was to join the mine owner in the cry for free coinage; thus raising the gold price of silver equal to gold, and in this way defeating Indian competition. The profit to the mine owner, if successful in this, is as easy to compute as counting the fingers of the two hands. It would simply add 50 per cent. to the present value of the silver stock on hand, leaving future gains subject to future fluctuations in silver. Assuming, as I think we must, that production would be stimulated and vastly increased and that other nations will continue to discard silver, this proposed change in our mint laws, giving to silver the monopoly of the mints to the certain exclusion of gold, will continue to inure to the benefit of the silver mine until we have reached the limit, debased dollars will be absorbed in our circulation. After that "the deluge." The American farmer produces wheat and cotton, of which he has a surplus. Both wheat and cotton are exportable commodities; so also is silver an exportable commodity, of which the world has a surplus.

The American farmer possesses a country which is now upon a gold basis, where each dollar in circulation is kept equal to every other dollar and all made equal to gold. With this standard he measures the producing cost of all products intended for domestic and foreign consumption.

The prices obtained for his surplus products in foreign markets fixes the prices for those consumed at home, and all transactions are expressed in gold—an unvarying standard. He has newspapers and telegrams which give daily foreign quotations, from which, by a simple mental calculation, he is enabled at a glance to see how much real money the products of his farm will buy.

Neither the speculator nor the money changer is needed in the exchange of his products into gold, and he suffers no depreciation in the money while the exchange is in process or when completed. This being the position of the farmer upon the gold standard, we are now led to inquire what it will be relatively upon the silver standard.

A change in the standard here cannot affect the character, habits, or the standards of the people to whom he sells his surplus products. London, commercially and financially speaking, is the exchange, the great clearing house of the world. London is the principal market for the American farmer—besides being the world's silver market as well. Here wheat and silver meet for exchange, and the

value of each is expressed in the gold sovereign. The mints of Europe being closed to silver, except for limited coinage solely upon government account, while our mints are wide open and affording an endless outlet for the world's silver—which we are sure to get in exchange for products. In short, we have exchanged the gold standard for the silver standard, where we are forced to remain, and by this operation have aided other nations to reach the gold standard where they prefer to remain. Meanwhile, the price of the farm product abroad is expressed in terms of gold.

"The level of prices in gold-using countries can only be affected by the demand for products in proportion to the supply, or minutely by changes in the relation between the volume of the currency and the work it has to do, and not by a change in the value, of the metal forming the standard of value elsewhere." In commerce there can be no such thing as a one-sided prosperity, and the necessary adjustment in the levels of gold and silver prices will therefore follow. The variation in the value of gold and silver will always show itself sooner or later in the gold and silver prices of commodities respectively

Gold being a monopolized money metal having a more stable value than other monetary metals is, by general consent and commercial practice, accepted as the only true standard with which to measure the value of all other things, including silver. The standard once adjusted remains fixed and stable as a measure, while the law of supply and demand may constantly change the relation between the weight of wheat or cotton or silver, for example, and the weight of gold which represents it in the London market. The value of our farm products will be fixed by the gold price in gold standard countries who are the principal purchasers, and it will be paid for in silver at home.

If we pass this bill, surely no other European nation will follow our example or have need to do so; no international monetary conference need assemble for we alone have settled, for them at least, the silver question by inviting their silver to our mints. But this is not all; we trade with them. The level of their prices is expressed in gold, the level of our prices in silver. There has been a fall in the gold price of silver of 36 per cent., and as the ratio between the level of gold prices and the level of silver prices of commodities must ultimately conform to the ratio between the value of gold and the value of silver, how is this divergence to be adjusted?

The adjustment necessarily must be effected by the exportation of silver to the United States until the value of silver in London and silver prices of commodities in the United States were so affected as to make this operation no longer profitable. The effect of forcing

more and more silver upon a circulation over supplied will be followed by a rise in silver prices of commodities, and by increased exports to London causing a fall in gold prices. In this way only can the equilibrium be maintained, and the divergence between the two currencies adjusted. Any divergence will always show itself in the exchanges. All the losses which the producers had suffered from the uncertain fluctuating character of the legal-tender notes will be repeated and continued by the adoption of the silver standard.

These fluctuations will be at the cost and to the injury of the producers, who are never exporters; it being certain the exporter will demand upon every purchase a sufficient discount to cover all possible risk of fluctuation, not only in the value of the product, but also in the value of the money. Silver in all European markets will circulate only at its bullion value, and no one can be sure that its value will be the same in any two transactions. Hence, the speculator in wheat and cotton will perpetrate these little operations backward and forward upon the producer, taking to himself all the profits and giving to somebody else all the risks. The American farmer will not profit by a single farthing in the sale and exchange of his wheat and cotton, under a silver standard, while the measure of his losses will be what the speculator and money changer will get.

Wheat and Cotton.

The statement has been often repeated that the silver rupee will buy as much wheat or cotton in India when the rupee is worth as now one shilling four pence in gold as it did when worth two shillings. If this statement be true somebody is getting rich very fast out of the poor ryot who grows the wheat and cotton. If the Indian ryot, who wears straw clothing, eats only rice and lives in a mud hovel, is so ignorant that he never knows how many silver rupees he is entitled to receive for a quarter of wheat, then the Senator may be correct in this statement, but that does not alter the fact that the cash difference commercially between the gold price and the silver price of wheat either at Bombay or London is exactly the difference between the market value of gold and silver bullion. (In order not to cloud the transaction I omit from the statement freight and other expenses.)

The wheat and cotton grower in India receives his pay from the exporter in the form of silver rupees, but the exporter draws a commercial bill of exchange on London, and this bill of exchange is for gold. This gold either pays the fixed annual stipend due to England from India, or buys merchandise to be imported into India where it is sold for silver rupees. The competition between Indian exporters and between Indian importers allows as little margin of profit as is

possible in commerce between other nations; competition, therefore, regulates the price to the producer, but owing to the uncertain, variable and fluctuating character of the silver rupee the exporter will always demand a margin to cover any possible loss of fluctuation in the money.

Gold is the standard of England and silver the standard of India; gold and silver have altered in relative value, but how does this affect articles which are interchanged between England and India?

Suppose that 40 shillings in gold purchased a quarter of wheat twenty years ago, and at that time 40 shillings was worth, say 20 rupees (two shillings per rupee.) The gold price of wheat was 40 shillings a quarter, and 20 rupees would purchase a quarter of wheat. The price of wheat is now 32 shillings per quarter, and the 32 shillings will buy 24 rupees, so that the silver price of a quarter of wheat will be 24 rupees instead of 20, as before. The gold price has fallen 8 shillings per quarter, and the silver price has advanced 4 rupees. It is argued that the silver standard, therefore, is a great gain to India, in as much that there has been less variation in wheat prices in India than in England; that in consequence of this the Indian ryot puts more land in cultivation, and increases his exports; that wages and cost do not differ materially in India, and, therefore, to enable the American farmer to meet Indian competition we must also open our mints to the free coinage of silver.

If it be true that prices have not fallen in India as in England, that production and export has been stimulated, that wages and cost have not advanced—is it not also true that conditions in India compel us to deal with India itself, and alone?—and the rule sought to be applied is not possible in any civilized country.

Will the Senator from Nevada [Mr. Stewart] now that he has his silver market secure in the act of 1890 (and I know he means to keep that much and get more if he can) dare to tell the farmers of the United States, our mints being open, that a standard silver dollar for a bushel of wheat is quite as good pay as the gold dollar for which the wheat was sold in London, when the fact is that a bushel of wheat would buy enough silver to make one silver dollar and the third part of another one on the same day in the same market.

The American farmer is usually a man of liberal education, he knows his rights, and dares maintain them. The American farmer would receive for his wheat and cotton, in silver, exactly what the exchanges would give him. To illustrate: If wheat is worth 40 shillings gold per quarter in London, or ten dollars gold in our money, this gold will buy enough silver bullion to make 16 standard silver dollars, and with open mints he may elect between the exchanges and the mint.

If the American people prefer the weaker money of the weak nations, the commercial world will fix its value and the daily fluctuations will be found in the market reports.

Wheat and Cotton.

A single glance at the exports of wheat and cotton from those States upon which the world depends for a supply will show how unimportant a factor is India in influencing the price of these commodities in the world's market, and how fallacious the statements so often made that the low prices of silver had enabled India to fix the price to the American producer.

In 1870 the Suez Canal was opened; prior to that trade in wheat with India was very small. Since that year India has increased the mileage of her railroad system over five-fold and has had for over twenty years cheap and direct transportation to the London market for her wheat and cotton.

In 1872, before the demonetization of silver, the wheat crop of the United States was 250 million bushels (I speak in round numbers), of which we exported 37 million bushels.

In 1891 the crop was 611 million bushels of which we exported 188 million bushels.

The yearly average export of wheat from the United States for twenty years, ending with 1891, was 112 million bushels. During this entire period we have been on the gold basis.

The yearly average export of wheat from Russia during the same period was 62 million bushels. The money of Russia, gold and paper.

From British India the annual average export of wheat for the same period was 20 million bushels, and although the price of silver has been steadily going down her export of wheat for 1891 (fiscal year) was less than the average of the ten preceding years. During these twenty years India had been upon a silver basis.

It will be seen that of the entire wheat export from these wheat exporting countries, covering the entire period of twenty years, the United States have furnished 58 per cent., Russia 32 per cent., and India only 10 per cent.

Cotton.

In 1872 the cotton crop of the United States amounted to 3,000,000 bales, of which we exported 2,000,000.

In 1891 the cotton crop was 9,000,000 bales, of which we exported 5,800,000 bales.

Not only had there been in 1891 an increase over 1872 in the acreage planted with cotton of 131 per cent., but the production per acre had increased 36 per cent.

The United States had increased her production and her export of cotton in the year 1891, as compared with 1872, nearly 300 per cent.

Now let us compare this record with India. In 1872 India produced 838 million pounds of cotton, and exported 809 million pounds. In 1891 India produced 1,172 million pounds, and exported 620 million pounds, or about one and one-half million bales. Increase in crop in 1891, compared with 1872, 40 per cent.; decrease in exports 23 per cent., and yet the silver advocates insist that India is taking the cotton market from the United States, when, in reality, with silver at $1.32 per ounce in 1872 she exported 188 million pounds more of cotton than she did in 1891, when silver was down to the yearly average of 99 cents per ounce, or a loss of exports in 1891 with cheap silver of 23 per cent. below the exports of 1872 with the rupee at par of exchange with gold.

On a gold basis the United States, in 1872, produced 56 per cent. of the world's supply of cotton, in 1891 she had increased to 74 per cent.

On a silver basis (with silver at par) India, in 1872, produced 35 per cent. of the world's supply of cotton, and in 1891, with a stimulus of 40 per cent. in the fall of the gold value of the rupee to aid production, India's production of cotton had fallen to 20 per cent.

These statistics clearly show that demand and supply govern the market value of all products in the open or world's market—and that the money standards, infinite in variety as they may be, in the countries where they are produced, have no influence whatever "in changing the laws of trade."

That there has been over-production of wheat and cotton and consequent low prices will be apparent to all who will take the trouble to investigate it. The increase in the world's production of cotton for 20 years, ending with 1891, had been 141 per cent. In wheat 49 per cent., while the increase in the world's population for the same period had been only 36 per cent.

Mr. Teller. May I ask the Senator a question?

The Presiding Officer (Mr. Gallinger in the chair). Does the Senator from New Jersey yield to the Senator from Colorado?

Mr. McPherson. Yes, sir.

Mr. Teller. I should like to ask the Senator if he has in his figures the exports of cotton yarns and cotton goods from India?

Mr. McPherson. I have not.

Mr. Teller. I thought the Senator would not have that.

Mr. McPherson. If the Senator will reflect for a single moment he will see that we cannot deal with that question when we are comparing the cotton report of the United States with that of India. A

difference in money standards will not prevent India, if she has the facilities, the labor, the skill, and the inventive genius, from manufacturing cotton and selling her manufactured goods to all who will buy. India stands on exactly the same foundation we do with respect to manufacturing industries. It is the surplus product which is not used in manufacturing enterprises, either there or here, with which we are now dealing.

Mr. TELLER. The Senator will allow me to suggest to him that India has destroyed our cotton-yarn trade with Great Britain, which was the consumer of our cotton; and for every pound of yarn India now makes, which she did not formerly make, she has to that extent destroyed the market for cotton produced in the United States.

Mr. MCPHERSON. I admit all the Senator says, and it is to the everlasting credit of India that she has become a great cotton manufacturing country; yet she cannot compete with either England or the United States in cotton goods. But we are now dealing with two different money standards, and the effect of each upon the prices of commodities in the markets to which we send our raw surplus products.

I desire to invite the attention of Senators who represent cotton-growing States to a review of the cotton market during the last nine months of 1892, as furnishing proof positive that the price of silver had not the least influence upon the price of cotton in the open or world's market.

In April, 1892, the gold price of cotton was $6\frac{3}{4}$ cents—the gold price of silver, 87 cents per ounce. In November, 1892, the price of cotton had advanced to $10\frac{1}{8}$ cents—a rise of 50 per cent.—while silver had declined to 83 cents—a fall of $4\frac{5}{8}$ per cent. Decrease in cotton production, for the same year, over 30 per cent.

THE SHERMAN LAW.

The act of July 14, 1890—popularly known as the Sherman law—passed by a Republican Congress, and signed by a Republican President against the protest of every Democratic Senator, was the first step leading to the ultimate and inevitable result so fondly hoped for by the silver inflationists. It was a signal triumph for the silver producers who aim to use the United States Treasury as a market for their productions, and an enduring triumph as well, in that the policy of purchasing monthly and burying in the Treasury 4,500,000 ounces of silver must continue until both houses of Congress and the President acting concurrently shall condemn it.

The possible continued use of both gold and silver was thus stricken down by a Republican Congress and President for partisan advantage when within their power to prevent it. It is proper to ask, will free coinage give more silver money than the existing law, or tend to hasten us faster towards the silver standard? Some of the most intelligent opponents of silver coinage agree that it would not. But then I ask, what would simple free coinage mean but the giving up of the use of gold for the use of silver. In like manner what does the Sherman law ultimately mean but giving up the use of gold for the use of silver. Silver will be attracted here just so long as the Government shall continue to buy silver and try to maintain this equality of its gold, silver and paper dollars. Silver exchanged for Treasury notes, redeemable in coin, may have a chance of redemption in gold coin, and the time may come when gold coins shall be worth much more than silver coins.

The law contains no provision for the redemption of the Treasury notes in silver bullion at its market value, or the original purchase price of the bullion.

Silver is purchased at the market value, but the intention of the law is to redeem the notes in silver coin, and provision is made to coin silver dollars for that purpose. The standard silver dollar is all the law promises the holder of the note—all else is left to the discretion of the treasury. The requirement to purchase $54,000,000 of silver per annum to be buried up in the Treasury, unsaleable and immovable, causes gold to take its place in the foreign exchanges. By far the most serious loss of gold we have ever sustained has occurred since the passage of the Sherman bill. Between February and July of 1891, we lost in gold over seventy millions of dollars. and during the same period we hid in our vaults twenty-five millions of silver which might in part have performed the same service. Under the operation of this law the Treasury notes have not assisted the flow of money to the places where most needed, but have remained at the financial centres, and gold has been driven out of the country.

"It is easy to foresee what our financial position under the pro-silver legislation of the Sherman law would now be, had the order of Providence been reversed, and the crops abroad been bountiful, while our crops had been light, with only light exports of products, and consequently light railroad earnings. Add to this the fact that European capitalists fully believe that, do what we will, we have now gone so far in the direction of the silver basis that to escape it is impossible, and they are exchanging our securities for our gold rather than wait until the dollar they invested will yield but 64 cents in return. It would seem a sufficient argument to any intelligent man to point to the fact that while the balance of trade appears upon our books to be largely in our favor, foreign exchange has been held at the gold-exporting point for the past year."

Mr. TELLER. I should like to suggest to the Senator from New Jersey that he has fallen into an error in the statement he is now making. When we have exported gold during this last year, it has

invariably been when the rate of exchange was not at the gold-exporting point, and it is so shown by the Director of the Mint in his recent report.

Mr. McPherson. I used it in the sense that it was more profitable to export gold than to buy exchange.

Mr. Daniel. May I interrupt the Senator?

Mr. McPherson. I will state to the Senator that I shall be through in a few minutes, and I shall then be glad to hear him.

It is not a question of gold exports that is now alarming the people of the United States. With our power to produce, and to absorb gold, we can continue to give Europe all the gold we owe her, provided the growing want of confidence among the people in the stability of our monetary system shall not have the effect of creating a sudden home demand for gold. Fully three-quarters of all the gold in the United States is held outside the Treasury by private parties, who may hoard it for a rise, or not, as they please. Judging from the daily comments in newspapers, the only remedy now left us against the hoarding of gold—which might mean a contraction of 400 millions in the volume of our gold circulation—is to stop the purchase of silver.

It is not a question of the ability of the Government to maintain its present silver circulation at par with gold even if the intrinsic value of the silver dollar should decline to half its present value. The people will, and do, demand that all our circulation shall be of equal exchangable value, and all kept equal to gold, and to make sure of this they further demand that this wholesale inflation of silver shall cease. Over fourteen years this country has staggered under the burden of attempting to control the silver market for the entire world; even in the presence of increased and ever increasing production of silver the Government, at great cost, has taken enough of the product to limit the fall in price. The Government has tried all these years to benefit silver producers by securing higher prices, but has failed, because it has succeeded so well in stimulating production.

Prior to 1850 England, alone of all the states of Europe, had the single standard of gold; all the other states were either in fact and law, or simply in fact silver monometallic. Everywhere in Europe gold was at a premium. Everywhere, not only domestic, but foreign circulation was affected by means of silver.

At the present time the situation is absolutely reversed. Throughout the whole of Europe the mints are no longer open to the free coinage of silver. To calculate the quantities of gold with which Europe has been flooded since 1848, when the mines of California, Australia and Russia poured out their treasures, it is not enough to give only the quantities produced; we must add what America sent abroad after the establishment of our forced paper currency.

The Presiding Officer. The hour of 2 o'clock having arrived, it is the duty of the Chair to lay before the Senate the unfinished business, the title of which will be stated by the Secretary.

Mr. Daniel. I hope the unfinished business will be laid aside in order that the Senator from New Jersey may continue his remarks.

The Presiding Officer. The title of the bill will first be stated.

The Chief Clerk. A bill (S. 2707) granting additional quarantine powers and imposing additional duties upon the Marine Hospital Service.

Mr. Daniel. I ask unanimous consent that the bill may be informally laid aside in order that the Senator from New Jersey may conclude his remarks.

The Presiding Officer. The Senator from Virginia asks unanimous consent that the unfinished business may be informally laid aside. Is there objection? The Chair hears none, and the Senator from New Jersey will proceed.

Mr. McPherson. Since 1850 the quantity of gold has doubled. In this short space of time trade and commerce have thrown in the circulation as much gold as mankind had accumulated in four centuries. Owing to these conditions, with those that are found there to-day, gold monometallism has made rapid progress among the states of Europe. Some of the European states, however, desiring to reach the single gold standard, find their easy progress blocked by an excess of silver in their circulation, the result or legacy of the abandoned bimetallism. As a sole remedy for this discomforting condition they close their mints against silver.

Compared with these European states the policy pursued by the United States is exactly the reverse. It is reported upon the apparent authority of the Secretary of the Treasury, that embarrassed by the excess of silver in the circulation, he may be obliged to buy gold with a new issue of bonds in order to maintain gold payments. As a remedy for this threatened danger (I say, danger for this policy, once began where is it likely to end) my resolution stops the further purchase of silver. The remedy prescribed by my distinguished friend from Nevada (Mr. Stewart) is, "to correct this excess of silver by a still greater excess of silver."

Mr. President. This is a serious question—a question of sound finance or unsound finance. Shall we obey commercial laws and enjoy commercial prosperity, or disobey and defy these laws and suffer disaster.

Mr. Stewart. Will it interrupt the Senator if I ask him how he would correct the deficiency of gold, by creating a greater deficiency in letting all the world buy it?

Mr. McPherson. I will pause to answer the Senator by simply saying this: I would utilize all the gold we have by keeping it out of the hoards of its owners. I would try to keep it in circulation. I would stop the inflation of silver and not frighten gold to its hiding place. Then, as I have tried to make it clear in my remarks, I would stop the purchase of silver absolutely and let silver find its normal value all over the world, and await events.

I would wait for Europe and other nations of the world who have an excess of silver to join the United States and agree upon an international ratio; and I want to say to the Senator I care but little what that ratio is provided that there were enough strong nations to join together in an international agreement to mint the silver produced, and I should be perfectly willing then to accept the result.

Mr. Stewart. Mr. President—

The Presiding Officer. Does the Senator from New Jersey yield further to the Senator from Nevada?

Mr. McPherson. I wish to say to the Senator from Nevada that this is all there is of my speech [indicating], and if he will permit me to conclude I will then listen to him. I am proceeding not in my own time, but by the courtesy of the Senate.

Mr. Stewart. I should like to ask another question then.

Mr. McPherson. In the commercial world gold is king. Gold counts the cost, markets the goods, and measures the margins of profit or loss, and this it will continue to do whether we adopt a silver standard or not. Possessing a country almost exhaustless in resources, producing more of the objects which make commerce than any other nation, rivaling all other nations in civilization, in intelligence, inventive genius and skill, to-day the granary and, with wisdom, soon, perhaps, to become the workshop of the world, can we afford to take a step backward to the money plane of India and China? Shall we stand with the great nations or with the weak nations? Shall we stand for bimetallism, with all its essential features, demanding both gold and silver—and showing preference to neither—or drift to silver monometallism? These are grave questions, and they need a prompt answer.

Now, I will say to the Senator from Nevada that my silver policy is summed up in the following words as near as I can get it into a single statement: In my opinion the true answer, the only answer, will be found in reversing our silver policy, stop buying silver to lock up in the Treasury, and, in turn, dump the new silver from the mines upon the world's market. Bimetallism will never venture forth from any European state until demand is made, not in resolutions, or in piteous appeals, but in positive, aggressive action. Buy

no silver and coin none—until the effect of such action shall determine a future monetary policy for European States.

"The suction pipes of Europe are now at work upon our gold reserves and whether we live under free coinage or its twin sister, the Sherman law, the final result to us will be the same."

Now I will listen to the Senator from Nevada with great pleasure. I was going to say to the Senator, however, that I have a good deal of material here that I think not only the Senator from Nevada but the Senator from Colorado would like to have put in the Record, and I ask him to withhold his questions until I get through, unless I am interfering with the Senator from Tennessee [Mr. Harris] in his desire to go on with his bill. I do not wish to encroach upon the time he may rightly claim in his own behalf.

Mr. Butler and others. Go on.

Mr. McPherson. I have stated in my remarks that in my opinion silver was to-day being produced in the United States at 35 cents per ounce, that the average cost of the production of an ounce of fine silver throughout the whole of the United States was not above 35 cents. The present price of silver is 85 cents per ounce, which leaves a clear margin of profit of 50 cents per ounce.

I also stated that according to my estimate, if silver can be produced, and claiming that it is produced at 35 cents per ounce, the intrinsic value of the standard silver dollar amounts to 27 cents.

Mr. Stewart. Will the Senator permit me to state a fact right there?

Mr. McPherson. As soon as I get through with my statement.

Mr. Stewart. The Senator is mistaken about that, and I wish to correct him.

Mr. McPherson. I am going to offer my proofs. I prefer the Senator to deal with my proofs.

Mr. Stewart. Before the Senator states his proof let me state the fact. I have seen gold procured for less than 10 cents an ounce; I have seen silver procured for less; but that in either case is when you find it. The great cost in producing the crop lies in the fact that it must be produced by explorations, by thousands who make nothing; but after it is found it is easily gathered. I saw a place called Gold Run where a man would make from $50,000 to $100,000 a day for awhile. Quite a number of men were engaged there who made several million dollars in a short time. I do not suppose the labor amounts to more than 5 or 10 cents an ounce to take out the gold when you find it, but the great cost is the explorations to reach that result.

Any statistics you may get relate only to reaping the crop, to gathering the find after the heavy work has been done. Those are

the only statistics we have. I have been at work for the last six months attempting to get at the average cost of the product. We have had a committee attempting to get at the average cost and we find great difficulty in reaching the facts; but one thing is certain, that, according to the opinion of all engaged in the business, an ounce of silver costs more than $1.23. That is the average cost when you take into account the labor necessary to produce the result of finding it. Deep shafts have to be sunk and millions have to be spent in finding it, but when it is found it is like any other find——

Mr. McPherson. Let me ask the Senator not to interfere longer until I can put in my proofs, although I am very much delighted at all times to listen to him.

In justification of the statement just made by me that the average cost of producing an ounce of fine silver in the United States was less than 35 cents, I subjoin as an appendix to my remarks the following table, compiled (by Dr. Ivan C. Michels, a most competent and careful compiler and statistician) from census and Mint reports for the year 1889. I have not verified this statement, because he gives dates and page of the reports he quotes, and no error seems possible, except perhaps slight errors in computation. [See Appendix A.]

Mr. Stewart. I know the gentleman referred to, and will state that in my opinion his statistics are valueless.

Mr. McPherson. Very well.

Mr. Stewart. They are valueless.

Mr. McPherson. They must then be proved valueless, and that must be proved from these same census reports. I give my authority for them. I will state that I have not verified them, because I have every confidence, and I think most Senators in this body have great confidence in the capacity and correctness of this gentleman.

This statement gives from the census reports of 1890 the cost of the production of silver for 1889. I stated in my remarks what the cost was by the report of Dr. Kimball and of Prof. Austin in 1887, as it appeared in the Mint report. I now give what it is reported to be by the census, and I suppose the Census Bureau made a very careful investigation into this whole subject. I will briefly state what the table shows.

It gives the tons of ore produced in the five great silver-producing States of Arizona, California, Colorado, Montana, and Utah; the yield of gold, silver and lead in the ore. It credits the account by sales of the gold at $20 per ounce and the lead at $60 per ton, and deducts from the whole sum the total cost of mining and milling the ore.

The average cost of producing a fine ounce of silver in these five States is found to be 37 3-10 cents.

Mr. President, this is not an isolated case, let me say to the honorable Senator from Nevada. This estimate is based upon the product of 41,703,527 ounces, or more than four-fifths of the entire product of silver in the United States for that year—1889—which is given by the same census report at 51,354,851 ounces.

Mr. Stewart. Will the Senator allow me to interrupt him now?

Mr. McPherson. Certainly.

Mr. Stewart. I have examined that report. I advocated an appropriation for the purpose for gaining and collecting mining statistics, but I was sorely disappointed at the examination which was made. The gentleman who made that report took the paying mines; he did not take into account the millions spent in establishing plants.

Mr. McPherson. Let me say to the Senator, as this matter is to be an appendix to my remarks, I cannot very well submit to an interruption now.

Mr. Stewart. Just one word more. He did not take into account the vast expenditure of opening the mines, of sinking shafts. He did not take into account the outside expenses of the men engaged in the work. He took into account nothing but the actual extracting and milling of the ore, gathering the crop, which probably would not be more than 10 per cent. of the real cost of the whole business. I complained of it to the Superintendent of the Census. He said that he was very sorry the report had no reference to the actual cost; that it was very misleading. I told him the use that would be made of it, taking the mere harvesting of the crop and leaving out at least nine-tenths of the average expense of getting to that point.

That is the report the Senator has here. It takes a paying mine and then adds the cost of milling while the mine is paying. He does not take into account the continuous year-after-year labor trying to find more paying ore, but after the paying ore is found, when the shafts are sunk, when the drifts are run, when the plant is established, then he tells us what it costs to work the ore, which is no criterion of the cost of mining at all. It is a travesty on the subject altogether. The report is misleading, and the man who made it admitted it was no criterion, and he told me he would put in a note explaining that it referred only to the harvesting of the crop.

Mr. McPherson. It is proper, however, in this connection, to state that the officers and aegnts of the Mint employed to gather mineral statistics give the silver yield for 1889 at 56,452,025 ounces, and if this estimate be accepted it will reduce the cost to 35 cents per ounce.

When we consider the extent and character of new discoveries in mines, and in the methods of cheapening the cost of production, surely no Senator will for a moment contend that the cost of procuring silver in 1893 compared with 1889 has not been greatly reduced.

In the absence of later (1889) official reports, and in the presence of a rapid annual increase in silver production, accompanied by a constant fall in the value of silver, its future use as a chief monetary metal must necessarily be influenced by the cost of production; therefore, I deem it important and proper to give attention to the views expressed by others not unfriendly to silver, and which are entitled to respect in the solution of this vexed question. To this end, as additional and more recent testimony in support of the estimate I have made touching the cost of silver production in the United States, I ask that the following alleged facts be printed as an appendix. [See Appendix B.]

I should like to ask the Senator from Colorado [Mr. TELLER], relying, as we must, very largely upon information other than official touching the cost of the production of silver in the United States, about the standing of the Denver Mining and Scientific Review, and also the Denver Mining Exchange Journal. Are they considered reliable papers in regard to the silver product?

Mr. TELLER. I never heard of the paper. It may be printed in Denver, but I do not know anything about it. I never saw a copy of it. If the Senator will give me leave I should like to say to him and to the Senate that all statements as to the cost of precious metals are misleading and deceptive, and as a general thing are intended to deceive; and if I can get the floor at some time I will explain why.

Mr. MCPHERSON. I know of no way in the world to reach a decision upon this question in the absence of official reports later than 1890, and when every estimate that is made is disputed by those who represent the States where the industry is largely conducted, I know of no way except relying upon such information as can be gathered from outside sources.

I find published in the Washington Post, January 1, 1893, a statement speaking of Colorado's mining output for 1892 as follows:

COLORADO'S MINERAL OUTPUT.

DENVER, COLO., *December* 31.

The astonishing figures $41,865,134.23 is the total mineral production for Colorado for 1892; giving totals of $2,012,002.92 in copper, $6,683,478.44 in lead, $28,161,121.96 in silver, and $5,665,398.42 for gold, as against $38,548,934 for 1891.

Mr. TELLER. That includes coal and iron, does it not?

Mr. MCPHERSON. No, silver alone.

Mr. TELLER. Forty-one million dollars in silver?

Mr. MCPHERSON. Twenty-eight million one hundred and sixty-one thousand one hundred and twenty-one dollars and ninety-six cents is given as the silver output of Colorado in 1892. This is coinage value. The despatch to the Post also says:

This does not include one smelter in Colorado, and Colorado ores reduced at Omaha and Grant smelter at Omaha.

I now turn to the Daily State Mining Journal of Denver, of January 3, 1893, a paper, I am informed, of high authority upon these mining matters, to find how much the Omaha and Grant smelter smelted for the State of Colorado. That paper puts Colorado's output at 7,475,277 ounces, and the coinage value at $9,643,107.33; hence, sum total for Colorado, $37,804,229.29, equal to 29,305,604 ounces of pure silver.

Mr. WOLCOTT. I do not suppose the Senator desires unnecessarily to make the amendment fictitious. I suppose the Senator is aware that the Omaha and Grant smelter smelts 99+ per cent of its silver ore at its own smelter in Denver, and in the figures which the Senator has read as the product of the Omaha and Grant smelter it was all smelted in Denver, and has been included in the overestimate the Senator has stated of $28,000,000.

Mr. MCPHERSON. Admitting all the Senator says, I will accept his statement, for I know nothing about this matter except as I find it in reliable prints—admitting all he says, there remains a most gigantic increase in silver production in the State of Colorado between the years 1891 and 1892.

Mr. DANIEL. Does the Senator take into account the estimated cost of the plant?

Mr. MCPHERSON. No; nor should you take into account the cost of the plant.

Mr. DANIEL. If silver miners were furnished with free plants by the Government, they could then produce silver at that rate.

Mr. MCPHERSON. Do the farmers in Virginia take into account, when they are considering whether it will pay them to produce wheat or tobacco or cotton, the cost of their plant?

Mr. DANIEL. Of course they do.

Mr. MCPHERSON. The plant is there and it is useful for no other purpose but to produce wheat and cotton and tobacco; and they will be grown on the land even at the risk of failure in crops and in price.

Mr. DANIEL. The reason why they are losing money is because they do not take into account the plant.

Mr. MCPHERSON. So long as you are trying to determine what the probable output of silver is going to be in the world, because it is due to that very largely, and the cost of producing it, whether we are to have a silver currency or a gold currency in the world——

Mr. DANIEL. Will the Senator allow me to ask him a question? Does the merchant take into account the cost of his goods when he puts a price upon them to sell them?

Mr. McPHERSON. If that could be used as a parallel case I should be very glad to answer the Senator that I expect they do take that into consideration.

Mr. DANIEL. Does the farmer take into consideration the cost of his land and the tax he pays on it in estimating the value of his production to ascertain whether it is profitable or not? I do not know about the farmers in New Jersey; but I have always understood that the merchant took into account the rent he had to pay, the taxes he had to pay, and the farmer the taxes on his land and the cost of his land in order to estimate whether his labor was profitable or not.

Mr. McPHERSON. Mr. President, it is a universal principle which admits of no change whatever that as to that which is more cheaply produced than usual is more plentifully produced than usual, and its purchasing power will be less. This is true of all things, including silver.

Mr. STEWART. Mr. President, will the Senator allow me?

Mr. McPHERSON. No; I should like to get through.

Mr. HARRIS. Will the Senator from New Jersey allow me to say a word?

Mr. McPHERSON. Certainly.

Mr. HARRIS. This day was by unanimous consent of the Senate agreed to be devoted to the consideration of the quarantine bill, with the single exception of which the Senator from New Jersey gave notice that he desired to submit some remarks upon his joint resolution. Of course I desire the Senator from New Jersey to conclude his remarks, but I beg to appeal to the Senate not to undertake to enter upon a general discussion of the silver question to-day, for this is probably the last day that I shall have for the consideration of the quarantine bill, and I am exceedingly anxious to proceed with it at the earliest moment possible; but if these interruptions and debate are to be continued this discussion will consume the whole day.

Mr. McPHERSON. Let me say to the Senator from Tennessee I regret very much I have occupied the floor so long, and if I had not been interrupted I should have been through some time ago. Now, I hope no Senator will consider it discourteous for me to say that I will not be interrupted, and I shall not take five minutes longer.

I will give some further testimony as to the cost of producing silver in the United States. I read from the report of the president,

Lewis M. Rumsey, of the Granite Mountain Mining Company, for the year 1889, pages 6 and 7.

Mr. TELLER. What company is that?

Mr. McPHERSON. The Granite Mountain Mining Company, of Montana, 1889. The report is made by its president. I will read just a short sentence from the report. He says:

From October 8, 1880 (the date Mr. McClure first sent the tools to the mine), to July 31, 1889, the total gross sum of expenditures of every kind by our company has been $4,092,512.29. This includes the purchase of property, erection of buildings and permanent improvements, the amount paid for supplies and labor, expended in litigation, and for express and refining charges on smelting, ore and bullion, etc., in short, as stated above, every expenditure of every nature and kind, during the same period our mines have produced and sold 10,989,858.98 ounces of pure silver and 6,521,569 ounces of pure gold, realizing the gross sum of $10,988,800.24.

The total product of our mines at Government standard value, $\$1.29\frac{29}{100}$ per fine ounce, has been $14,335,195.38, while our total receipts were, as stated above, $10,988,800.24, showing that the demonetization of silver by our Government had cost our company to July 31, 1889, $3,346,334.14, or over 30 per cent. of our gross income.

In four years, from April 8, 1885, to July 31, 1889, we have paid in dividends $7,600,000, or $19 per share on our capital stock of 400,000 shares of the par value of $25.

The same report for 1889 gives the mining and milling cost of a ton of ore at $17.23. The average yield of the ore is $107\frac{1}{2}$ ounces of silver and gold per ton—at a net cost of about 18 cents per ounce—to produce without allowing for the gold it contains, which would reduce this cost considerably more.

The report further says:

We are gradually realizing the immensity of our property, the stupendous quantity of the work yet to be done before the ore bodies shall have been thoroughly developed, much less exhausted.

In short, after they had paid $7,600,000 on an absolute cost for everything of $4,000,000, covering the period of nine years, the demonetization of silver had prevented them from adding $3,000,000 more to it.

Mr. President, I have here all these papers [exhibiting]. I will not read any of them, but I want to put the whole in the RECORD (see Appendix C). These are principally extracts from newspapers, like the papers I have quoted, as to the cost of the production of silver; and I want to say that, in my opinion, if any Senator will take the trouble to read these statements of reports from mines and elsewhere he will come to the conclusion that I have overestimated the cost of producing silver.

APPENDIX A.

[Compiled from the Eleventh Census on mineral industries.]

PRODUCTION, EXPENDITURES AND RETURNS.	ARIZONA (Pages 68, 69, 163).	CALIFORNIA (Pages 70, 75, 163).	COLORADO (Pages 76, 79, 163).	MONTANA (Pages 83, 85, 164).	UTAH (Pages 94, 95, 164).
PRODUCTION.					
Amount of ores produced..........tons	104,554	1,032,124	852,211	528,518	214,548
Amount of gold extracted therefrom..........ounces	45,509	608,936	194,193	156,966	24,383
Amount of silver extracted therefrom..........ounces	1,817,036	1,065,036	18,416,861	13,437,661	6,966,933
Amount of lead extracted therefrom..........tons	3,158	53	70,788	10,183	16,675
EXPENDITURES.					
Wages paid..........	$1,499,641	$9,191,500	$9,337,875	$5,881,500	$2,869,852
Office force, wages paid..........	50,716	201.392	374,035	121,065	47,261
Paid to contractors..........	48,902	296,373	400,772	120,567	105,535
Value of supplies used..........	348,662	2,151,229	2.559,705	2,399,963	1,111,963
All other expenditures..........	110,118	666,061	1,159,945	736,562	740,600
Grand total of all expenditures..........	2,058,039	12 506,555	13,834,333	9,259,657	4,875,211
RETURNS.					
Sales of gold at $20 per ounce..........onnces and valne	45,509=$910,174	608,936=$12,586,722	194,193=$3,883,859	156,966=$3,139,327	24,383=$487,666
Sales of lead at $60 per ton..........tons and value	3,158= 189,480	53= 3,180	70,788= 4,247,280	10,183= 610,980	16,675=1,000.000
Total returns..........	1,099,654	12,589.902	8.131,139	3,750,307	1,488,666
Balance cost of production of silver..........	958,385	*83,247	5,703,193	5,509,350	3,387,045

* Net profits on gold ; hence the 1,065,036 ounces of silver not costing anything to produce the same.

SUMMARY.

ARIZONA.	COLORADO.	MONTANA.	UTAH.
Onnces of Silver..........1,817.036	Ounces of silver..........18,416,861	Ounces of silver..........13,437,661	Ounces of silver.......... 6,966,933
Cost of production..........$958,385	Cost of production $5,703,193	Cost of production..........$5,509,350	Cost of production..........$3,387,045
Equal to 52¾ cents per ounce.	Equal to 30⅜ cents per ounce.	Equal to 41 cents per ounce.	Equal to 48 cents per ounce.

RECAPITULATION AND REMARKS.

COST OF PRODUCTION OF SILVER.

[From Eleventh Census for 1890, returns for 1889 ; House of Representatives Miscellaneous Document No. 340, Fifty-second Congress, first session, pages 68 to 95 and 163.]

Arizona..........	ounces	1.817,036=	$958,385, equal to 52¾ cents per ounce.
California..........	"	1,065.036=	Not costing anything.
Colorado..........	"	18,416.861=	5,703,193, equal to 30.2-8 cents per ounce.
Montana..........	"	13.437,661=	5.509,350, equal to 41 cents per ounce.
Utah..........	"	6,966,933=	3.387,045, equal to 48 cents per ounce.
Grand total..........	"	41,703,527=	15,558,423, equal to 37.3 cents per ounce.

COST OF PRODUCTION.

Professor Austen, 1886 : Equal to 51.1 cents per ounce. Dr. Kimball, 1887 : Equal to 52.2-5 cents per ounce. Eleventh Census 1889 : Equal to 37.3 cents per ounce.

LEAD SOLD IN NEW YORK IN 1889.

Yearly summary of Engineering and Mining Journal, statistical number for 1891, page 38 : In January, 1889, highest, $96.80 per ton. In May, 1899, lowest, $75.80 per ton. Average price for the year 1889, $78 60 per ton.

APPENDIX B.

The Denver Mining and Scientific Review of October 22, 1891, editorially says:

"Mining as an industry is the safest and most profitable business on earth. Failures in legitimate mining are less than in any commercial business. Many of our mines are paying 25 to 40 per cent. per annum on the capital stock. Most of these stocks were purchased at from 25 to 50 cents on the dollar, making an investment of from 60 to 100 per cent. per annum. Stock deals in mining are a thing of the past, and mines are now worked for the money they produce."

The Denver Mining Exchange Journal, October 28, 1891, asks editorially:

"Does mining pay? For the past twelve years the North Star Mine, at Silverton, Colo., has been worked at a profit by the owners on the 'day-work' plan $3.50 to $4.00 per day. The management cut down expenses, decided to try the leasing system, which we have so strenuously advocated in the past. The general supposition was that the North Star was in a decline, but we learn that practical miners offer from 35 to 75 per cent. of all the ore mined for the privilege of taking out and selling the balance, and contract to timber and leave the portions of the mine in good working order. If the worked portions have produced a better profit than from 35 to 75 per cent., truly the answer to the above must be that mining does pay."

Mining and Scientific Review, of Denver, Colo., of November 12, 1891, quotes from Eagle County Times:

"Dodsworth & Co., lessees of the 'Red Cap' mine in Eagle Canyon, shipped a car-load of ore. The ore assays $400 per ton. Also No. 3 shaft in the 'Ben Butler' mine returns 1,470 ounces of silver."

The same Denver paper quotes from the Silverton Miner:

"The 'Bandora' mine has struck it richer than ever. In the shaft they are sinking there are 18 inches of ore running 500 ounces of silver to the ton. This property was sold this summer for $100,000; now a cool million could not touch it."

The Denver Mining Exchange Journal of January 8, 1892, says:

"The Centennial-Eureka Mining Company has declared dividend No. 20, or 50 cents per share. The Centennial-Eureka has immense reserves of rich ore in sight and could pay $3 dividends as easily as 50 cents, but the management has wisely decided not to break down and ship any more ore than is necessary during the present low price of silver."

The Denver Mining and Scientific Review of the 26th of November, 1891, quotes from the Silver Plume Standard, of Clear Creek County, Colo., as follows:

"Ore from the Seven-Thirty mine milled recently by James Griffin returned 209 ounces of silver and 480 pounds of lead to the ton."

The same paper quotes from Register-Call as follows:

"Three tons of ore shipped from a recent location made in Vermillion district to the Globe smelters netted the owner at the rate of $98 per ton. This speaks well for a prospect not yet 40 feet deep."

The Denver Daily Mining Exchange Journal, of December 5, 1891, comments thus editorially:

"The Ontario mine has produced $12,000,000 on an original investment of $30,000, and yet this sum was necessary to make this mine a producer, and the returns have been kingly."

The same paper quotes from the Boulder County Miner thus:

"Mr. P. P. Miller, owner of the Morning Star, says that recently the leasers shipped 5 tons of ore that netted them $1,500, and was the work of four men eight days."

The Denver Daily Mining Exchange Journal, of December 28, 1891, quotes from the Silver Plume Standard thus:

"Thomas Hooper's lease on the Terrible mine still continues to turn out good ore. A recent mill run returned 471 ounces of silver and 720 pounds of lead to the ton.

"The Brown mine, a mill run assayed by Frank Pope, returned 390 ounces of silver and 820 pounds of lead to the ton.

"Coughlin & Co., on the same property, had a run that returned 456 ounces of silver and 460 pounds of lead to the ton."

The Daily Denver Mining Exchange Journal of January 13, 1892, says:

"At Pay Rock mines the ore averaged 1,000 ounces of silver per ton, except in two instances. From this shaft levels have been run both east and west in the vein, all of which are in ore that will run from 600 to 1,000 ounces to the ton."

The Denver Daily Mining Exchange Journal of January 27, 1892, speaking of the Crede mines, says:

"The Last Chance is the great mine. Mr. E. H. Crawford, an old Leadville miner, is the superintendent, and is working 70 men on this property. The lower level is in 200 feet. The vein between walls is strong 5 feet, averaging over $135 per ton. The shipment is limited to 85 tons per day."

(Remark: Seventy men at $3.50 per day, $245 per day; shipping 85 tons per day at $135 per ton, $11,475 per day.)

The Nevada Eureka Sentinel of January 23, 1892, says:

"The Eureka Consolidated Mining Company has paid in dividends $5,500,000, over $100 per share, and in excess of the capitalization of the company."

The Denver Daily Mining Exchange Journal of January 26, 1892 says:

"Judge A. W. Rucker has won his famous suit for the recovery of one-sixth interest in the famous Aspen mine. The amount of this recovery aggregates over $2,000,000, as the product of this mine since November, 1884, amounts to over $12,000,000."

The same paper of January 20, 1892, says:

"Maj. A. J. Pickerell, manager of the Grand Union Mining Company, states that to his great surprise the ore runs over 700 ounces of silver to the ton. Out of nine assays the lowest run was 149 ounces to the ton."

The Aspen correspondent of the Denver Scientific and Mining Review, under date of January 21, 1892, says:

"The property of the 'Best Friend Mining Company,' exposed a body of high-grade ore from 6 to 9 feet thick and 3 feet wide, which runs 750 ounces of silver to the ton, the remainder of the ore body running 100 to 150 ounces to the ton. Your correspondent picked a few specimens, and had them assayed to satisfy his curiosity. One from near the bottom of the incline assayed 1,850 ounces of silver, and another fine specimen, 4,000 ounces to the ton. But the mill dirt taken from the breast of the Houston mine gave me the average. I took a sample every 6 inches across the 7 feet of mineral and put them all together, and my return was 750 ounces of silver to the ton.

"The Puzzle mine, owned by the Puzzle Mining Company, but now under lease to Mr. Lovett, is producing some very fine ore, assaying as high as 3,700 ounces of silver to the ton."

The Rico Sun, published in Dolores County, Colo., says:

"A chunk of ore was brought down to the First National Bank from the Enterprise mine. An assay was made which ran 958 ounces of silver and 480 pounds of lead to the ton."

The editor comments on it thus:

"This is not an isolated specimen, the streak of this character of ore is regular, and is being mined and hoisted to the surface every day."

The Editor of the Red Cliff Comet, in Eagle County, Colo., says:

"The Horn Silver mine had assays taken which showed 343 to 470 ounces of silver to the ton."

The Denver Mining Exchange Journal of January 18, 1892, editorially states the following:

"Fortunately for the mining industry the wildly-speculative era is passed, and mining to-day stands upon as legitimate a basis as any other great industry. Thirty mining companies in the United States, which made public statements of their earnings, paid last month dividends amounting to $1,500,000, and for the year 1891 about $18,000,000, or an excess of nearly $5.000,000 over the amount paid by the same companies in 1890. When it is remembered that these figures represent the dividends paid by public companies only, and do not represent the earnings of private concerns and close corporations, some idea of the profits of mining by corporations may be obtained."

The Aspen Daily Times of February 3, 1892, says editorially:

"The Mollie Gibson mine is without doubt the richest mine. Recent developments have disclosed a body of ore 9 feet thick that runs $10,000 to the ton, and that a streak 18 inches thick is 80 per cent. pure silver."

The Aspen, Colo., correspondent of the Daily Denver Mining Exchange Journal, under date of February 3, telegraphs:

"A very rich strike has been made in that portion of the company's property known as the Silver King mine. About three weeks ago the company laid off about 70 men, to enlarge the shaft into three compartments. Work was started a few days ago which discloses the great ore chute from the Sagnets mine. It shows that the rich ore is continuous for over 400 feet in the sixth level. The chute is over 12 feet thick, and will average 2,500 to 3,000 ounces of silver to the ton. In addition to this, there is a rich streak about 10 inches wide on the hanging wall which will run over 20,000 ounces to the ton."

Mr. W. B. Jacobs writes to the Georgetown (Colo.) Courier that he went to investigate the Creede Camp ores. A brownish-black friable mineral contained 234 ounces of silver to the ton, and a white mineral, consisting in part of sulphate of lead, carries 556 ounces of silver and 440 pounds of lead to the ton.

The editor of the New York Financial and Mining Record, January, 1892, said:

"Rich copper ore has been found in Ouray, Colo. The J. I. C. mine is the lucky property in which the strike was made of a rich body of gray copper ore, running $1,000 per ton in silver."

The editor of the Denver Mining and Scientific Review, January 7, 1892, giving an account of the sale of the King Solomon mines to ex-Senator T. M. Bowen, of Colorado, for $21,000 for the whole group, states:

"They carry a large amount of galena, some carrying 1,480 pounds of lead, and from the ores thus far shipped the silver runs from 50 to 800 ounces to the ton."

In the same paper he quotes from the Boulder News:

"Mr. Voorhees in making a cross cut in the Cash mines struck ore that run $400 to the ton. Twelve hands are employed, and he says that they are taking out $2.50 for every dollar put in."

He quotes from the Gilpin County Observer in the same issue:

"The National mine is looking well and yielding $87.30 to the ton."

In the same paper he quotes from the Red Cliff Comet thus:

"The strike in the Horn Silver mine continues, and Charles Linsey has made another lucky move in the Little May; the ore is worth all the way from $5,000 to $10,000 to the ton."

In the same paper he quotes from the Arizona Prescott Courier thus:

"Frank Kuhne is in from the Sunny South mine and has just sampled a carload of ore from that property, which went 225 ounces of silver to the ton."

The editor of the Denver Mining Exchange Journal, January 9, 1892, speaking of the mines about Ouray, editorially states:

"The great Sheridan mine, in the Marshall basin, is shipping 100 tons of ore daily that averages $100 to the ton. At the present price of silver, and what silver should be, par value, it makes a difference of $350,000 a year in the values of the Sheridan ore. No wonder we want free coinage!"

The Daily Aspen Times of February 17, 1892, states:

"The working assays from the Little Annie yesterday ran as follows: 96, 47, 1150, 200, 65, and 330 ounces of silver, respectively, to the ton."

Editorially in the same paper:

"For the past year the ore shipped from the Mollie Gibson mine averaged over 400 ounces of silver to the ton."

The editor of the Daily Denver Mining Exchange Journal of February 16, 1892, has an editorial headed "As to profits in mining." He says:

"The general public east of the Missouri River has a very faint and indefinite knowledge of the extent to which legitimate mining is carried on. A list of seventy-five mines shows as profits paid to the stockholders since incorporation the enormous amount of $132,000,000, besides which there are hundreds of small mines not incorporated, being worked as private ventures, of which product no note is taken."

In closing his editorial he says:

"Mining pays better as now conducted, gives better returns, larger profits, than any other form of everyday business. Take an equal amount of capital and put into each, and let the results at the end of the year show which is safest and pays best.

(Remarks: Considering that silver in 1891-'92 has been as low as 86 cents per ounce, this admission is very significant.)

APPENDIX C.

COLORADO MINES.

[From the Denver Mining Review of January 7, 1892.]

Holy Moses, Last Chance Solomon, produced 74 per cent. of lead and from 50 to 800 ounces of silver per ton. Cost of mining and reducing, $42 per ton. Average, 74 per cent. of lead, equal to 1.480 pounds of pure lead, which sold at $51.80, leaving net profit of $9.80 on each ton or on the cost of production of 23 per cent., and the 50 to 800 ounces of pure silver are the by-product, realizing on the spot from $40 to $640 net.

The Mollie Gibson mine, at Aspen, Colo., from April 1, 1891, to January 1, 1892; some carloads returned as high as $64,100 and the average for that period was $600 per ton. The cost of production is given at $30 per ton for mining and $40 per ton for reduction and refining; total, $70; net profit, $530 on each ton of ore mined.

The Georgetown Courier says:

"The Brown mine in Clear Creek County produces 456 ounces of silver and 21 per cent., or 420 pounds of lead to each ton."

The correspondent of Denver Mining Review from Gunnison County, Colo., under date of December 31, 1891, writes:

"The Black Queen mine, at an incline of 280 feet, is a drift of a body of ore of 6 feet thickness, with a streak of 12 to 18 inches near the center which is worth $1 a pound or $1,000 to the ton. The balance of the ore body runs from 100 to 500 ounces of silver.

"The Ouray mine, near Breckenridge, Summit County, Colo., assayed 1,650 ounces of silver to the ton. The vein has been opened from 2 to 8 feet deep for a distance of 1,300 feet without a break in it or any depreciation in its value.

"The Snow Drift, also near Breckenridge, assayed 2,000 ounces per ton."

The correspondent of the Denver Mining Journal, January 9, 1892, writes from Aspen, Colo.:

"The Best Friend has declared its eighth regular monthly dividend. In the Houston part of the company's property is a 7½ feet ore that will mill 145 ounces to the ton. Two men took ore enough out in three days to pay all expenses of the mine and the regular dividend."

World's Cost of Production of Silver.

AUSTRALIA.

The cost of production of pure silver is given by Prof. Austen, of the British mint, in the returns of the British Commission Report, volume 1, page 328, as follows:

"The report for the year 1886 of the Broken Hill mines, Barrier Ranges, New South Wales, states that during that year the smelting of 10,397 tons of ore yielded 1,991 tons of lead and 871,665 ounces of pure silver, at a cost, including mining charges, etc., of £4 12*s.* ½*d.* per ton of ore, or at the rate of 1*s.* 1*d.* per ounce of silver, equal to 26 cents per ounce, if the lead be considered of no value; but the lead sold at £12 or $58.32 per ton. Total cost of mining 10,397 tons at £4 12*s.* ½*d.* ($22.44), equal to $233,308.68; lead, 1,991 tons, sold at $116,115.12, leaving the cost of production of the silver, 871,665 ounces, $117,193.56, which is equal to 13.2-5 cents per ounce."

The editor of the Money Market, a daily London financial paper, gives the production of the Broken Hill mines for 1889 at 10,000,000 ounces, at 16 cents per ounce, if the production of lead be considered of no value. As he gives not the amount of lead produced, and what it sold at, no exact cost of production of the silver can be stated. Still, when compared with 1886, when the cost of silver, barring the lead, was 26 cents, the decline is considerable, nigh on to 40 per cent.

MEXICO.

According to the report of Mr. Stewart Pixley, of the firm of bullion dealers, of Pixley & Abell, in London, given before the royal select commission on the deprecia-tion of silver (see Appendix of first report of the royal commission, 1886-'87, page 325), the cost of production in some of the mines is 1*s.* 6*d.* per ounce of pure silver, or 36 cents per ounce.

Prof. Austen, in his report, page 325, to the British Commission, gives the average at 1*s.* 8*d.*, or 40 cents per ounce.

SOUTH AND CENTRAL AMERICA.

Prof. Austen, in his report published by the British Royal Commission, on page 328, gives the cost of production of pure silver at 1*s.* 5*d.* per ounce, or 34 cents per ounce.

GERMANY.

From the product of the Mansfeld copper mines, according to Prof. Austen (see same report, page 328), 6,500,000 ounces of silver from the copper ores were obtained at 9½*d.*, or 19 cents, per ounce of silver. He also states in the same article that by the improved process of Mr. Claudet 328,000 ounces were recovered from the copper ores at 5*d.*, or 10 cents, per ounce.

Mr. ALDRICH. I give notice of my intention to offer at the proper time a substitute for the joint resolution of the Senator from New Jersey, which I ask to have read.

Mr. HARRIS. I ask that it may appear in the RECORD without reading.

Mr. ALDRICH. I desire to have it read. I will not take over five minutes of the time of the Senate.

The VICE-PRESIDENT. The proposed amendment will be read.

The Secretary read as follows:

Amendment to be proposed to the joint resolution (S. R. 126) authorizing and directing the Secretary of the Treasury to suspend all purchases of silver bullion as provided in the act of July 14, 1890.

Strike out all after the resolving clause and insert:

"That the United States hereby reaffirms its purpose to maintain a parity in the value of its gold and silver coins and of the United States notes and United States Treasury notes issued under authority of law; and to insure the maintenance of such parity an adequate reserve of gold coin shall at all times be held in the Treasury of the United States: and if at any time in the opinion of the President the amount of such reserve shall be insufficient, the Secretary of the Treasury, with the approval of the President, shall forthwith sell the bonds of the United States in such amounts as may be necessary to restore the adequacy of such reserve, such bonds to be of the form and sold in the manner prescribed in the third section of the act approved January 14, 1875, entitled 'An act to provide for the resumption of specie payment,' payments for such bonds to be made in gold coin. The President of the United States is further authorized, if in his opinion such action is necessary, to secure a continuance of the parity in value aforesaid, to suspend from time to time the purchases of silver bullion required to be made by the act approved July 14, 1890, entitled 'An act directing the purchase of silver bullion and the issue of Treasury notes thereon, and for other purposes.'

"SEC. 2. That unless on or before the 1st day of January, 1894, an international agreement shall be entered into between the Government of the United States and of the leading commercial nations of Europe by which gold and silver shall be given equal mintage rights in the mints of their respective countries at an agreed ratio, then the purchases of silver bullion provided for in the first section of the act approved July 14, 1890, above referred to, shall cease."

END OF TITLE